



## Freight Advisory Committee

August 22, 2013, 11:00 AM

Port San Antonio

907 Billy Mitchell Blvd., San Antonio, Texas 78226

### Attendees:

Committee Member	Organization	Attendance
Judge Ed Emmett, Chair	Harris County	Present
Judge Carlos H. Cascos, Vice-Chair	Cameron County	Present
French F. Thompson, III	BNSF	Present
Rigoberto Villarreal	City of McAllen	Absent
Steve Stewart	Gulf Wind International, Inc.	Present
Kevin McIntosh	Kansas City Southern (KCSR)	Absent
Joseph Adams	Union Pacific	Present
Mike Graham, Sr.	HEB – San Antonio	Present
Col. Leonard Waterworth	Port of Houston	Present
Michael Dyll	Texas International Freight LLC	Absent
K. Alan Russell	The Tecma Group of Companies	Absent
Jack Todd	Texas Association of Manufacturers	Present
John LaRue	Texas Ports Association, Port of Corpus Christi	Present
Judge Clay Lewis Jenkins	Dallas County	Absent
Amir Mirabi	Governor's Office of Economic Development	Present
Carlton Schwab	Texas Economic Development Council	Present
Kenneth Dierschke	Texas Farm Bureau	Present
Steve Boecking	Alliance Texas	Present
John Esparza	Texas Motor Trucking Association	Designee Present
Ron Beeson	East Harris County Manufacturers Association	Present
Todd Frease, Sr.	McLane Global Logistics	Present
Ronnie Volkening	Texas Retail Association	Absent
John Hill	Gulf & West Coast for Hapag Lloyd	Present
Miquel Perez	Border Trade Alliance – San Antonio	Designee Present

**TxDOT:**

Marc Williams, PE	Director of Planning, TxDOT, Austin
Caroline Mays, AICP	Interim Freight Systems Branch Manager, TxDOT, Austin
Laura Perez	Planner, TxDOT, Austin
Sondra Johnson	TxDOT, Austin
Darcie Schipull	TxDOT, San Antonio
Sandra Akins	TxDOT, San Antonio
Sara Bagwell	Coordinator of Policy and Planning Office, TxDOT, Austin
Michael O'Toole	TxDOT
Roberto Rodriguez	TxDOT
Andrea Lofye	TxDOT
Marissa Meyer	TxDOT
Jefferson Grimes	Director of Public Involvement, TxDOT, Austin
Jason Scantling	TxDOT

**CDM Smith Consultant Team:**

Rob Wayson	CDM Smith
Vince Mantero, AICP	CDM Smith
Laura Kulecz, AICP	CDM Smith
Chris Simons	Atkins
Craig Secrest	High Street Consulting

## 1. Introductions and Opening Comments

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**Judge Ed Emmett, Chair**

- The purpose of the TxFAC committee and meeting is to determine how freight is moving through the state and develop the most efficient strategies for these movements.

## 2. 83<sup>rd</sup> Legislative Session Overview

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**Jay Bond, TxDOT State Legislative Affairs**

- Provided and update of the 83<sup>rd</sup> legislative session.
- Establishment of House Committee of International Trade consisting of three sub-committees:
  - maritime ports
  - airports
  - internal bridges and border crossings
- Hidalgo County authorized corridor for heavy weight vehicles and Port of Brownsville Over weight corridor expansion
- Chambers County corridor truck volume not sufficient to justify entire corridor.
- Transportation funding
  - additional \$4 billion per year is needed to maintain the existing system
  - SJR1 to go to voters in November 2014

- diverts funds from the economic stabilization fund (rainy day fund) to transportation, \$800-900 million per year
  - established committee to transfer and monitor funds
- HB25 provides TxDOT/county governments \$225 million to handle energy sector (shale, etc.) road improvements
  - HB 1642 Port of House Sunset Bill to increase transparency and credibility
  - Transportation reinvestment zones allow governments to increase property taxes to fund local transportation projects
  - TxDOT will be able to use money in the mobility fund to fund port projects if Congress approves
  - HB 2741 allowed TxDMV to create two additional oversized permits to allow
    - concrete trucks to travel on frontage roads
    - trucks carrying timber on roads that exceed the weight limits in East Texas
  - Three people were recognized in the audience – *TxDOT's new maritime director Dan Harmon, District Engineer in San Antonio Mario R. Jorge, P.E., and Rosa Navejar from the Rios Group who is on the National Freight Advisory Committee.*

### 3. Multimodal Logistics Corridor Development

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#### Jorge Canavati, Vice President, International Logistics, Port San Antonio

- Discussed the north-south intermodal corridors development between US and Mexico
  - Texas to Mexico
    - Laredo has a new facility
  - California to Mexico.
- The CG Railway has two 585-ft. rail ships that move railroad containers between Mobile, AL and southern Mexico
  - has been in business about 15 years
  - business has recently increased due to rise in variety of commodities
- Climate change has caused new trade routes to be added/changed
- The Southwest Texas Alliance consists of Laredo, San Antonio and Corpus Christi
- Mexico is starting to be recognized as a challenger to China in product exports
- Port of San Antonio is expanding and promoting all types of manufacturing to keep the region growing

### 4. Special Guest Speakers - Working Lunch

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#### Senator Carlos Uresti

- His district (District 19) covers 17 counties and takes eight hours to drive from one end to the other
- San Antonio is at the heart of the NAFTA corridor with Kelly Airport accessible from two railroads and three highways

- Growth is going to occur in this area because of the Eagle Ford shale
- Texas ports handle 20 percent of freight volume
- The number of trucks is expected to double over the next 20 years
- Roads are reaching the end of their life span and significant amount of infrastructure needs to be addressed
- Bill going to the voters in 2014 for \$1.2 billion dollars to divert funding from the rainy day fund to fund infrastructure improvements
- Some FM roads in West Texas are being converted to gravel
  - Has met with TxDOT Director Wilson, who agreed to a 60-day moratorium to further research this issue
  - Plans to discuss issue with other transportation officials
- Water fund ballot issue will be presented to voters this year, and transportation fund ballot issue will, hopefully, be presented the following year.

**Joe Krier, Board Chair, SH 130**

- SH 130 is a public/private partnership
- Built to help reduce congestion on the I-35 corridor which is the 4<sup>th</sup> most congested road in Texas.
- Cost \$1.2 billion to construct the segment from Seguin to Lockhart
- By 2020, there will be a huge increase in both truck and automobile traffic
  - Estimated by 2040 census, both Austin and San Antonio metropolitan areas will grow by one million people each and SH 130 corridor will continue to be attractive
- SH 130 corridor is
  - cashless, has no lane restrictions and no weight restrictions
  - 18 miles long and requires three more gallons of gas than driving on I-35
  - Travel time is reliable vs. I-35
  - section on I-35 between Austin and San Antonio has a very high fatality rate
  - constructed and operated by TxDOT
- SH 130 didn't have the initial traffic volumes as expected due to the recession which started in 2008. Traffic volumes expected to increase as population continues to increase and I-35 continues to decrease in performance
- Toll reduced for 18 wheelers between March 2013 and March 2014 from \$50 to \$13, which is the same cost for automobiles in order to encourage truckers to shift to SH 130.
- Need to find other ways to fund facilities with limited funding for infrastructure projects

## **5. Texas-Mexico Automotive SuperCluster (TMASC)**

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**David Marquez, Executive Director, Bexar County Economic Development**

- TMASC is a strategy to develop the automotive manufacturing industry for job creation and capital investment
- Many participating companies in area between Dallas and Mexico with a 400+ mile radius of the I-35 corridor
- Variety of automotive companies located between the Dallas and San Luis area
- Purpose is to get automotive companies to locate in the Bexar County area

- From 2008 to 2012, \$2.7 billion invested to add seven automotive plants in the region
- There are currently numerous countries investing in Mexico and establishing car manufacturing plants
- Goal is to have two new assembly plants by 2015 and five by 2020.

## 6. Texas Freight Mobility Plan Work Session

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### Outline Key Freight Needs and Challenges, Rob Wayson, CDM Smith

- Received over 1,000 comments during the 11 Listening Sessions conducted in June
- Comments received concern:
  - System capacity
  - System operations
  - Safety
  - Connectivity
  - NFTA and border challenges
  - Institutional-interagency-industry coordination
  - Education and public awareness
  - Funding challenges

### John LaRue

- GIWW capacity issues affects ports
- Some port areas are not dredged as deep as they could be

### French Thompson

- There may be isolated areas where there are rail constraints. BNSF and other rail lines have invested a substantial amount of money to develop a good rail system in Texas.

### Caroline Mays

- Isolated areas were discussed during the Listening Sessions - one with a single track in Beaumont
- Heard comment in Brownsville regarding truckers being stopped

### French Thompson

- Most congestion is in isolated areas where there are competing modes of transportation, coming from a Class I rail perspective, not from the short lines.

### Jack Todd

- Need to have a clear expectation (definition) of what is considered a problem area

### Joe Adams

- Expect a lot more export business out of the ports so rail traffic will increase

### Colonel Waterworth

- Were any environmental components brought up
- Were there any discussions regarding time factors, such as 5- and 10-year needs

### Judge Cascos

- Trucks coming out of Brownsville get stopped four out of five times and truckers feel they are not being treated the same as other ports of entry. How can we communicate this with DPS?

### Marc Williams

- TxDOT will reach out to DPS, as they provide the infrastructure, while DPS provides enforcement

### Roberto Rodriguez

- There were a few environmental issues discussed at the Listening Sessions

- Some comments were received on what is needed now and what is needed in the future in terms of short term, five to ten years, and out to twenty years

#### **Defining Texas Priority Freight Network, Chris Simons, Atkins**

- The initial network is a preliminary, all-modal network
- The priority network will affect future planning and eventually be narrowed to define the most important corridors. Need to look at how to make Texas more competitive
- Preliminary modal freight numbers show trucks move 65% of freight and rail moves 19%. Texas has four of the top ten ports, but since materials are transported to Texas by truck or rail, there is only seven percent of waterborne freight movement
- Modal percentages of freight flow came from the commodity flows and includes mobility both going inside and outside of Texas
- Reviewed Texas Freight Gateways/Generators map and asked members to indicate missing links or other information they would like to see; members were sent electronic files showing all major roads and were asked to submit changes in a week

#### **Caroline Mays**

- Numbers were from the USDOT and have not been refined

#### **Mike Graham**

- Numbers match the percentages nationally
- Typically rail carries value tonnage that doesn't have an immediate delivery date
- Would like to see historical data
- Consider metropolitan areas as major distribution centers, but the definition of distribution center is needed, perhaps according to square footage or by agricultural commodities

#### **Judge Cascos**

- The information is two years old and would like to go back up to 20 years to look at the trends

#### **Judge Emmett**

- Go back and make sure double counting didn't occur on numbers
- Victoria should also be an inland port
- Make sure map is reviewed for accuracy in regards to the number of deep water ports; show Harlingen as a shallow port and the Permian Basin as a distribution center
- Remove the Orient Railroad from the map; show rail lines to be discussed with rail personnel

#### **French Thompson**

- There were two inland ports, San Antonio and Laredo
- We need to consider population centers. Dallas-Fort Worth has huge distribution centers

#### **Marc Williams**

- We are still in the process of determining where freight is coming from and where it is going

#### **Colonel Waterworth**

- TxDOT has the information for all of the modes

#### **Michael Graham**

- Study should focus on automobiles as well as other modes

#### **Outline Preliminary Freight Performance Measures, Craig Secrest, High Street Consulting**

- MAP-21 created performance-based system and to serve three functions
  - plan development
  - plan implementation
  - accountability

#### **Craig Secrest**

- The Federal Affairs Office is updating their performance measures and expanding their criteria to all modes and policy areas
- Measures will be expanded and shared with the Committee before their next meeting

**Judge Emmett**

- Performance measures will determine best investments
- The next TxFAC Committee meeting will be on October 1 in Amarillo in conjunction with the Ports to Plains Conference.

**Adjourn at 3:25 PM**

**Meeting Photos**

